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CONFIDENTIAL INFORMATION  
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COUNSEL

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MAY - 3 1994

April 26, 1994

FCC MAIL ROOM

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, DC 20554

Re: 800 Data Base Access Tariffs and the 800 Service Management System Tariff;  
CC Docket No. 93-129

Dear Mr. Caton:

As a vendor of central office and switching equipment, Ericsson Network Systems Inc. ("Ericsson") has provided technical, engineering, product, and pricing information for use by local exchange carriers ("LECs") in the computerized models that are used to support their costs. In an Order adopted and released on January 31, 1994, the Common Carrier Bureau instructed the LECs to "release all relevant information to interested parties that signed protective agreements" or to use alternative cost support methods. An Application for Review of this Order has been filed by Ameritech, Bell Atlantic, Pacific Bell, Nynex, and U S West. Ericsson supports the position of these LECs in the Application for Review and strongly believes that disclosure of Ericsson's confidential information pursuant to this Order would reveal its trade secrets and do irreparable harm to Ericsson.

From Ericsson's standpoint, the most sensitive component of these cost models is Ericsson's pricing information, which includes the actual prices charged for Ericsson hardware, software, and services, discounts given to particular customers on Ericsson's goods and services, and future price forecasts. Among competitors in the central office and switching equipment market, a company's own pricing information is carefully protected and any information on a competitor's pricing would be highly valued. Ericsson believes that to compete in the central office market, it is absolutely necessary for vendors to maintain the confidentiality of their own pricing information. As a result, Ericsson takes great care to maintain the confidentiality of its pricing information, both within Ericsson and in its relationships with other parties.

In addition to pricing information, proprietary technical information regarding Ericsson's products is included in the computer models. This technical information is also highly

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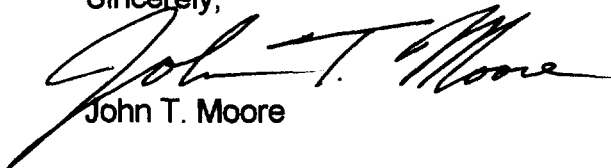
confidential and a trade secret of Ericsson, and Ericsson is extremely concerned about any potential disclosure of this information.

Moreover, Ericsson believes that if the confidentiality of proprietary pricing and other information belonging to Ericsson and other vendors is not adequately protected, vendors will be less likely to provide this important information to the LECs for use for tariff and other regulatory purposes. As a result, the long-term effect would be to decrease the flow of information to telecommunications regulators and thereby inhibit the public interest goals that the FCC is attempting to achieve.

Ericsson is convinced that merely requiring its competitors and other interested parties to sign "protective agreements" in order to obtain this highly confidential information is inadequate to protect its interests. It is crucial to recognize that in many cases, the parties that would obtain the information through this procedure are the very parties whose access to the information would cause Ericsson harm. In addition, enforcing such protective agreements would be nearly impossible, and the recovery of monetary damages in the event of a breach would almost certainly be inadequate.

Ericsson remains willing to cooperate with the appropriate parties in order to structure an arrangement that meets all of their legitimate interests while simultaneously protecting Ericsson's confidential and proprietary information. We believe that such a procedure was used in the ONA proceedings, and we would support the use of such an approach in this situation as well.

Sincerely,



John T. Moore

JTM/csh

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cc: Andrew C. Barrett, Commissioner, FCC  
Reed E. Hundt, Chairman, FCC  
Richard Metzger, Acting Chief-Common Carrier Bureau, FCC  
James H. Quello, Commissioner, FCC  
Gregory J. Vogt, Deputy Bureau Chief-Policy, FCC